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October 21, 2005
VIA FEDERAL EXPRESS

RE. Docket No. 04-00371

Dear Ms. Dillon:

Enclosed herewith for filing in the above referenced matter are the original and 13 conformed copies of a Quarterly Report of action in Connection With the Sale of 5.80% Senior Notes, Series L, Due 2035 in Docket No. 04-00371.

If you have any questions, please do not hesitate to contact the writer.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP

William C. Bovender

WCB/pl
Enclosures

cc: William E. Johnson, Esq. (via e-mail, w/out encl.)
James R. Bacha, Esq. (via e-mail, w/out encl.)
Isaac Webb (via e-mail, w/out encl.)
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TENNESSEE:

Before the

TENNESSEE REGULATORY AUTHORITY

.....
REPORT :
of : Docket No. 04-00371
APPALACHIAN POWER COMPANY :
.....

QUARTERLY REPORT OF ACTION IN CONNECTION WITH
THE SALE OF 5.80% SENIOR NOTES, SERIES L, DUE 2035

APPALACHIAN POWER COMPANY ("Appalachian") reports as follows:

1. Pursuant to the Order of this Commission, dated November 30, 2004, in Docket No. 04-00371, Appalachian issued \$250,000,000 aggregate amount of its 5.80% Senior Notes, Series L, due 2035.
2. Issue date: September 29, 2005.
3. Amount issued: \$250,000,000.
4. Interest Rate: 5.80%
5. Maturity date: October 1, 2035.
6. Net Proceeds: \$245,912,500
7. Itemized List of Expenses: See Exhibit A.
8. Balance Sheet: See Exhibit B.
9. Securities paid at maturity: A portion of Appalachian's 4.80% Senior Notes, Series E, due June 15, 2005 in the aggregate principal amount of \$450,000,000. Most of this indebtedness had been refunded with proceeds from Appalachian's prior issuances, but approximately \$50,000,000 had been paid from short-term indebtedness, which was paid off with a portion of the proceeds of this issuance.

Respectfully submitted this 20th day of October, 2005.

APPALACHIAN POWER COMPANY


By: 
Thomas G. Berkemeyer
Assistant Secretary

EXHIBIT A

Expenses:

Auditor	\$ 21,000
Moody's	40,000
S&P	41,250
Fitch	40,000
Legal Fees	10,000
Trustee	5,000
Printing	2,500
Miscellaneous	<u>20,500</u>
Total	<u>\$ 180,250</u>

APPALACHIAN POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
June 30, 2005 As-Reported and September 29, 2005 Pro-Forma
(Unaudited)

	<u>As-Reported</u>	<u>Adjustments</u> (in thousands)	<u>Pro-Forma</u>
<u>ASSETS</u>			
Electric Utility Plant	6,741,456		6,741,456
Accumulated Depreciation and Amortization	<u>2,475,900</u>		<u>2,475,900</u>
TOTAL - NET ELECTRIC UTILITY PLANT	<u>4,265,556</u>		<u>4,265,556</u>
OTHER PROPERTY AND INVESTMENTS	<u>33,694</u>		<u>33,694</u>
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	1,448		1,448
Advances to Affiliates ⁽¹⁾	-	71,787	71,787
Other Current Assets	<u>541,507</u>		<u>541,507</u>
TOTAL CURRENT ASSETS	<u>542,955</u>	<u>71,787</u>	<u>614,742</u>
DEFERRED DEBITS AND OTHER ASSETS⁽²⁾	<u>701,976</u>	<u>(2,567)</u>	<u>699,410</u>
TOTAL ASSETS	<u>\$5,544,181</u>	<u>\$69,221</u>	<u>\$5,613,402</u>
<u>CAPITALIZATION AND LIABILITIES</u>			
Shareholder's Equity	1,585,250		1,585,250
Long-term Debt	<u>1,805,480</u>	<u>245,913</u>	<u>2,051,393</u>
TOTAL CAPITALIZATION	<u>3,390,730</u>	<u>245,913</u>	<u>3,636,643</u>
<u>CURRENT LIABILITIES</u>			
Long-term Debt Due Within One Year	100,010		100,010
Advances from Affiliates ⁽³⁾	176,692	(176,692)	-
Other Payables	<u>541,034</u>		<u>541,034</u>
TOTAL CURRENT LIABILITIES	<u>817,736</u>	<u>(176,692)</u>	<u>641,044</u>
DEFERRED CREDITS AND OTHER LIABILITIES	<u>1,335,715</u>		<u>1,335,715</u>
TOTAL CAPITALIZATION AND LIABILITIES	<u>\$5,544,181</u>	<u>\$69,221</u>	<u>\$5,613,402</u>

Pro-Forma includes the following adjustments since June 30, 2005

a) \$250 million Senior Notes issued September 29, 2005, with net cash proceeds after issuance expenses and hedging proceeds of \$248.5 million

(1) Reflects the cash proceeds and costs from item a above after paying down Advances from Affiliates

(2) Reflects issuance and hedging costs that are deferred and amortized in future periods

(3) Cash proceeds from item a above was first used to pay down Advances from Affiliates

Pro-Forma does not include transactions after the September 29, 2005 senior note issue date